



*The Commonwealth of Massachusetts*  
*Department of Public Utilities*  
*Leverett Saltonstall Building, Government Center*  
*100 Cambridge Street, Boston 02202*

April 18, 1997

FCC MAIL ROOM

*Via Overnight Mail*

Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

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APR 23 1997

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Re: *In the Matter of Usage of the Public  
Switched Network by Information Service  
Providers and Internet Access Providers  
CC Docket No. 96-263.*

Dear Mr. Caton,

Enclosed please find the original and twelve copies of the Comments of the Massachusetts Department of Public Utilities in the above-referenced matter. Please return a time-stamped copy to me in the enclosed stamped, self-addressed envelope.

Thank you for your assistance in this matter.

Respectfully submitted,

Jordan B. Michael  
Telecommunications Analyst  
Room 1209  
100 Cambridge Street  
Boston, MA 02202  
(617) 305-3746

enclosures

cc: Competitive Pricing Division, Common Carrier Bureau

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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION **FCC MAIL ROOM**  
WASHINGTON, D.C. 20554

**(APR 23 1997)**

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Providers )

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**COMMENTS OF THE MASSACHUSETTS DEPARTMENT OF PUBLIC UTILITIES**

On December 24, 1996, the Federal Communications Commission (FCC) issued its Notice of Proposed Rulemaking (NPRM) relative to Access Charge Reform and related issues (FCC 96-488), which included a Notice of Inquiry (NOI) regarding usage of the public switched network by internet service providers (ISPs). The Massachusetts Department of Public Utilities (or Department) is pleased to comment on the NPRM and specifically the NOI regarding access of the public switched network to ISPs. The Department perceives great value in the proliferation of ISPs to foster competition for these services in the marketplace and promote internet access to the public. The Department asserts that the proposal of access charges to such providers will have a chilling effect on the marketplace and negatively impact internet access to the public.

Since the Department's Order in D.P.U. 1731 (October 18, 1985), we have held that the marketplace is best served by a competitive model, where the proliferation of providers best meets the public's need for service. The Telecommunications Act of 1996 incorporates this pro-competitive notion as a basic tenet. Current federal policy exempts ISPs from access charges, and the effect has been to foster the growth and promote access to the information

superhighway. Access to the information superhighway is a major component of Universal Service. No barriers should be placed through additional cost structures by imposing access charges against ISPs.

Although the public switched network was developed for voice telephony, many business and service organizations utilize packet switching through the public switched network to serve customers. The imposition of access charges to ISPs alone would be discriminatory, as well as stifle the proliferation of information to the public through a newly developed resource, the Internet. This new resource is still in its development and should be afforded the protection necessary to nurture its growth on a national scale.

According to the FCC, the existing access charge system includes non-cost based, non-traffic sensitive components.<sup>1</sup> The re-allocation of non-traffic sensitive costs from access charges assessed to interexchange carriers (IXCs) would lower these charges, and a market-based approach would be expected to move access charges further to competitive levels.<sup>2</sup> In addition, the Department sees no reason to assess interstate access charges against ISP's who receive calls from their customers. The interstate access charge system had been developed as a means for incumbent local exchange carriers (ILECs) to recover the cost of calls placed through circuit-switched interexchange voice telephony.<sup>3</sup>

Congestion of the public switched network, designed for voice telephony and not the

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<sup>1</sup> NPRM at paragraph 288.

<sup>2</sup> NPRM at paragraph 43.

<sup>3</sup> NPRM at paragraph 288.

exchange of packet-switched data, is a valid concern. But congestion will not be alleviated by instituting new charges to ISPs in an effort to reform access charges, without negatively affecting Internet access. Technologies which specifically alleviate such congestion are the most direct solution. ILEC provision of such solutions will offer ILECs the opportunity to derive revenues in supporting growth in the Internet market.

The Department welcomes the opportunity to provide comment on Internet access and related issues in the future.